

AMENDED IN ASSEMBLY JULY 1, 2005

AMENDED IN ASSEMBLY JUNE 13, 2005

AMENDED IN SENATE MARCH 29, 2005

SENATE BILL

No. 135

Introduced by Senator Kehoe

(Coauthors: Senators Cox, Kuehl, Machado, Soto, and Torlakson)

February 1, 2005

An act to amend Section 56036 of, and to repeal and add Division 3 (commencing with Section 61000) of Title 6 of, the Government Code, and to amend and renumber Section 20685.5 of, to add Section 20682.5 to, to repeal Section 20685 of, and to repeal and add Section 20682 of, the Public Contract Code, relating to community services districts.

LEGISLATIVE COUNSEL'S DIGEST

SB 135, as amended, Kehoe. Community services districts.

Existing law contains provisions relating to the establishment of community services districts, including the formation of a district, the selection of a district governing board, the powers and duties of the board, and procedures for changing those powers.

This bill would repeal those provisions and enact the Community Services District Law which would specify the procedures for district formation, procedures for the selection of district governing board members, the powers and duties of the board, and the procedures for changing those powers and duties. The bill would also make other conforming changes.

This bill would specify that a violation of the Community Services District Law would be a misdemeanor. By creating a new crime, the bill would constitute a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 56036 of the Government Code is
- 2 amended to read:
- 3 56036. (a) “District” or “special district” means an agency of
- 4 the state, formed pursuant to general law or special act, for the
- 5 local performance of governmental or proprietary functions
- 6 within limited boundaries. “District” or “special district” includes
- 7 a county service area, but excludes all of the following:
- 8 (1) The state.
- 9 (2) A county.
- 10 (3) A city.
- 11 (4) A school district or a community college district.
- 12 (5) A special assessment district.
- 13 (6) An improvement district.
- 14 (7) A community facilities district formed pursuant to the
- 15 Mello-Roos Community Facilities Act of 1982, Chapter 2.5
- 16 (commencing with Section 53311) of Part 1 of Division 2 of Title
- 17 5.
- 18 (8) A permanent road division formed pursuant to Article 3
- 19 (commencing with Section 1160) of Chapter 4 of Division 2 of
- 20 the Streets and Highways Code.
- 21 (9) An air pollution control district or an air quality
- 22 maintenance district.
- 23 (10) A zone of any of the following:
- 24 (A) A fire protection district.
- 25 (B) A mosquito abatement and vector control district.
- 26 (C) A public cemetery district.
- 27 (D) A recreation and park district.
- 28 (E) A community services district.

(b) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a “district” or a “special district” for the purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57175), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a “district” or a “special district”:

(A) A unified or union high school library district.

(B) A bridge and highway district.

(C) A joint highway district.

(D) A transit or rapid transit district.

(E) A metropolitan water district.

(F) A separation of grade district.

(2) Any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving an entity described in paragraph (1) shall be conducted pursuant to the principal act authorizing the establishment of that entity.

(c) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a “district” or “special district” for purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57175), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a “district” or “special district” if the commission of the principal county determines, in accordance with Sections 56127 and 56128, that the entity is not a “district” or “special district”:

(A) A flood control district.

(B) A flood control and floodwater conservation district.

(C) A flood control and water conservation district.

(D) A conservation district.

(E) A water conservation district.

(F) A water replenishment district.

(G) The Orange County Water District.

(H) A California water storage district.

(I) A water agency.

(J) A county water authority or a water authority.

(2) If the commission determines that an entity described in paragraph (1) is not a “district” or “special district,” any proceedings pursuant to Part 4 (commencing with Section 57000)

1 for a change of organization involving the entity shall be
2 conducted pursuant to the principal act authorizing the
3 establishment of that entity.

4 SEC. 2. Division 3 (commencing with Section 61000) of Title
5 6 of the Government Code is repealed.

6 SEC. 3. Division 3 (commencing with Section 61000) is
7 added to Title 6 of the Government Code, to read:

8
9 DIVISION 3. COMMUNITY SERVICES DISTRICTS

10
11 PART 1. GENERAL PROVISIONS

12
13 CHAPTER 1. INTRODUCTORY PROVISIONS

14
15 61000. This division shall be known and may be cited as the
16 Community Services District Law.

17 61001. (a) The Legislature finds and declares all of the
18 following:

19 (1) The differences among California's communities reflect
20 the broad diversity of the state's population, geography, natural
21 resources, history, and economy.

22 (2) The residents and property owners in California's diverse
23 communities desire public facilities and services that promote the
24 public peace, health, safety, and welfare.

25 (3) Responding to these communities' desires, the Legislature
26 enacted the Community Services District Law in 1951, and
27 reenacted the Community Services District Law in 1955.

28 (4) Between 1955 and 2005, the voters in more than 300
29 communities have formed community services districts to
30 achieve local governance, provide needed public facilities, and
31 supply public services.

32 (5) Since then, the Legislature has amended the Community
33 Services District Law in many ways, resulting in a statute that
34 can be difficult for residents, property owners, and public
35 officials to understand and administer.

36 (6) There is a need to revise the Community Services District
37 Law to achieve statutory clarity and provide a framework for
38 local governance that California's diverse communities can adapt
39 to their local conditions, circumstances, and resources.

1 (7) The enactment of this division is necessary for the public
2 peace, health, safety, and welfare.

3 (b) The Legislature finds and declares that for many
4 communities, community services districts may be any of the
5 following:

6 (1) A permanent form of governance that can provide locally
7 adequate levels of public facilities and services.

8 (2) An effective form of governance for combining two or
9 more special districts that serve overlapping or adjacent territory
10 into a multifunction special district.

11 (3) A form of governance that can serve as an alternative to
12 the incorporation of a new city.

13 (4) A transitional form of governance as the community
14 approaches cityhood.

15 (c) In enacting this division, it is the intent of the Legislature:

16 (1) To continue a broad statutory authority for a class of
17 limited-purpose special districts to provide a wide variety of
18 public facilities and services.

19 (2) To encourage local agency formation commissions to use
20 their municipal service reviews, spheres of influence, and
21 boundary powers, where feasible and appropriate, to combine
22 special districts that serve overlapping or adjacent territory into
23 multifunction community services districts.

24 (3) That residents, property owners, and public officials use
25 the powers and procedures provided by the Community Services
26 District Law to meet the diversity of the local conditions,
27 circumstances, and resources.

28 61002. Unless the context requires otherwise, as used in this
29 division, the following terms shall have the following meanings:

30 (a) “At large” means the election of members of the board of
31 directors all of whom are elected by the voters of the entire
32 district.

33 (b) “Board of directors” means the board of directors of a
34 district that establishes policies for the operation of the district.

35 (c) “By divisions” means the election of members of the board
36 of directors who are residents of the division from which they are
37 elected only by voters of the division.

38 (d) “District” means a community services district created
39 pursuant to this division or any of its statutory predecessors.

1 (e) “From divisions” means the election of members of the
2 board of directors who are residents of the division from which
3 they are elected by the voters of the entire district.

4 (f) “General manager” means the highest level management
5 appointee who is directly responsible to the board of directors for
6 the implementation of the policies established by the board of
7 directors.

8 (g) “Graffiti abatement” means the power to prevent graffiti
9 on public or private property, receive reports of graffiti on public
10 or private property, provide rewards not to exceed one thousand
11 dollars (\$1,000) for information leading to the arrest and
12 conviction of persons who apply graffiti on public or private
13 property, abate graffiti as a public nuisance pursuant to Section
14 731 of the Code of Civil Procedure, remove graffiti from public
15 or private property, and use the services of persons ordered by a
16 court to remove graffiti.

17 (h) “Latent power” means those services and facilities
18 authorized by Part 3 (commencing with Section 61100) that the
19 local agency formation commission has determined, pursuant to
20 subdivision (h) of Section 56425, that a district did not provide
21 prior to January 1, 2006.

22 (i) “President” or “chair” means the presiding officer of the
23 board of directors.

24 (j) “Principal county” means the county having all or the
25 greatest portion of the entire assessed valuation, as shown on the
26 last equalized assessment roll of the county or counties, of all
27 taxable property in the district.

28 (k) “Secretary” means the secretary of the board of directors.

29 (l) “Voter” means a voter as defined by Section 359 of the
30 Elections Code.

31 (m) “Zone” means a zone formed pursuant to Chapter 5
32 (commencing with Section 61140) of Part 3.

33 61003. (a) This division provides the authority for the
34 organization and powers of community services districts. This
35 division succeeds the former Division 3 (commencing with
36 Section 61000) as added by Chapter 1746 of the Statutes of 1955,
37 as subsequently amended, and any of its statutory predecessors.

38 (b) Any community services district organized or reorganized
39 pursuant to the former Division 3 or any of its statutory
40 predecessors which was in existence on January 1, 2006, shall

1 remain in existence as if it had been organized pursuant to this
2 division.

3 (c) Any improvement district of a community services district
4 formed pursuant to the former Chapter 5 (commencing with
5 Section 61710) of the former Part 5 or any of its statutory
6 predecessors which was in existence on January 1, 2006, shall be
7 deemed to be a zone as if it had been formed pursuant to Chapter
8 5 (commencing with Section 61140) of Part 3.

9 (d) Any zone of a community services district formed pursuant
10 to the former Chapter 2 (commencing with Section 61770) of the
11 former Part 6 or any of its statutory predecessors which was in
12 existence on January 1, 2006, shall remain in existence as if it
13 had been organized pursuant to this division.

14 (e) Any indebtedness, bond, note, certificate of participation,
15 contract, special tax, benefit assessment, fee, election, ordinance,
16 resolution, regulation, rule, or any other action of a district taken
17 pursuant to the former Division 3 or any of its statutory
18 predecessors which was taken before January 1, 2006, shall not
19 be voided solely because of any error, omission, informality,
20 misnomer, or failure to comply strictly with this division.

21 (f) Any approval or determination, including, but not limited
22 to, terms and conditions made with respect to a district by a local
23 agency formation commission prior to January 1, 2006, shall
24 remain in existence.

25 61004. This division shall be liberally construed to effectuate
26 its purposes.

27 61005. If any provision of this division or the application of
28 any provision of this division in any circumstance or to any
29 person, county, city, special district, school district, the state, or
30 any agency or subdivision of the state is held invalid, that
31 invalidity shall not affect other provisions or applications of this
32 division that can be given effect without the invalid provision or
33 application of the invalid provision, and to this end the provisions
34 of this division are severable.

35 61006. (a) Any action to determine the validity of the
36 organization of a district shall be brought pursuant to Chapter 9
37 (commencing with Section 860) of Title 10 of Part 2 of the Code
38 of Civil Procedure.

39 (b) Any action to determine the validity of any bonds,
40 warrants, contracts, obligations, or evidences of indebtedness of

1 a district shall be brought pursuant to Chapter 9 (commencing
2 with Section 860) of Title 10 of Part 2 of the Code of Civil
3 Procedure.

4 (c) Any judicial action to compel performance of an action by
5 a district, its officers, or its directors shall be brought pursuant to
6 Section 1084 of the Code of Civil Procedure.

7 (d) Any judicial review of any administrative act taken after a
8 hearing by a district shall be brought pursuant to Section 1094.5
9 of the Code of Civil Procedure.

10 61007. (a) Territory, whether incorporated or
11 unincorporated, whether contiguous or noncontiguous, whether
12 in one or more counties, may be included in a district.

13 (b) Except as provided in this part, the
14 Cortese-Knox-Hertzberg Local Government Reorganization Act
15 of 2000, Division 3 (commencing with Section 56000) of Title 5,
16 shall govern any change of organization or reorganization of a
17 district. In the case of any conflict between that division and this
18 division, the provisions of this division shall prevail.

19 (c) A district shall be deemed an “independent special
20 district,” as defined by Section 56044, except when a county
21 board of supervisors or a city council is the board of directors.

22 61008. (a) Except as otherwise provided in this division,
23 districts are subject to the Uniform District Election Law, Part 4
24 (commencing with Section 10500) of Division 10 of the
25 Elections Code.

26 (b) A board of directors may require that the election of
27 members to the board of directors shall be held on the same day
28 as the statewide general election pursuant to Section 10404 of the
29 Elections Code.

30 (c) A district may conduct any election by all-mailed ballots
31 pursuant to Division 4 (commencing with Section 4000) of the
32 Elections Code.

33 (d) A district may hold advisory elections pursuant to Section
34 9603 of the Elections Code.

35 61009. Whenever the boundaries of a district or a zone
36 change, the district shall comply with Chapter 8 (commencing
37 with Section 54900) of Part 1 of Division 2 of Title 5.

CHAPTER 2. FORMATION

61010. A new district may be formed pursuant to this chapter.

61011. (a) A proposal to form a new district may be made by petition. The petition shall do all of the things required by Section 56700. In addition, the petition shall do all of the following:

(1) State which of the services listed in Section 61100 it is proposed that the district be authorized to provide upon formation.

(2) Set forth the proposed methods, including, but not limited to, special taxes, benefit assessments, and fees, by which the district will finance those services.

(3) Propose a name for the district.

(4) Specify the method of selecting the initial board of directors, as provided in Chapter 1 (commencing with Section 61020) of Part 2.

(b) The petitions, the proponents, and the procedures for certifying the sufficiency of the petitions shall comply with Chapter 2 (commencing with Section 56700) of Part 3 of Division 5. In the case of any conflict between that chapter and this chapter, the provisions of this chapter shall prevail.

(c) The petition shall be signed by not less than 25 percent of the registered voters residing in the area to be included in the district, as determined by the local agency formation commission.

61012. (a) Before circulating any petition, the proponents shall publish a notice of intention which shall include a written statement not to exceed 500 words in length, setting forth the reasons for forming the district, the proposed services that the district will provide, and the proposed methods by which the district will be financed. The notice shall be published pursuant to Section 6061 in one or more newspapers of general circulation within the territory proposed to be included in the district. If the territory proposed to be included in the district is located in more than one county, publication of the notice shall be made in at least one newspaper of general circulation in each of the counties.

(b) The notice shall be signed by one or more of the proponents, and shall be in substantially the following form:

1 “Notice of Intent to Circulate Petition

2 “Notice is hereby given of the intention to circulate a petition
3 proposing to form the _____ [name of the district].
4 The reasons for forming the proposed district are:
5 _____. The proposed service(s) that the district
6 will provide are: _____. The proposed method(s) by
7 which the district will finance those services are:
8 _____.”

9 (c) Within five days after the date of publication, the
10 proponents shall file with the executive officer of the local
11 agency formation commission of the principal county a copy of
12 the notice together with an affidavit made by a representative of
13 the newspaper or newspapers in which the notice was published
14 certifying to the fact of the publication.

15 (d) After the filing required by subdivision (c), the petition
16 may be circulated for signatures.

17 61013. (a) A proposal to form a new district may also be
18 made by the adoption of a resolution of application by the
19 legislative body of any county, city, or special district that
20 contains any of the territory proposed to be included in the
21 district. Except for the provisions regarding the signers, the
22 signatures, and the proponents, a resolution of application shall
23 contain all of the matters specified for a petition in Section
24 61011.

25 (b) Before adopting a resolution of application, the legislative
26 body shall hold a public hearing on the resolution. Notice of the
27 hearing shall be published pursuant to Section 6061 in one or
28 more newspapers of general circulation within the county, city,
29 or special district. At least 20 days before the hearing, the
30 legislative body shall give mailed notice of its hearing to the
31 executive officer of the local agency formation commission of
32 the principal county. The notice shall generally describe the
33 proposed formation of the district and the territory proposed to be
34 included in the district.

35 (c) The clerk of the legislative body shall file a certified copy
36 of the resolution of application with the executive officer of the
37 local agency formation commission of the principal county.

38 61014. (a) Once the proponents have filed a sufficient
39 petition or a legislative body has filed a resolution of application,

1 the local agency formation commission shall proceed pursuant to
2 Part 3 (commencing with Section 56650) of Division 3 of Title 5.

3 (b) Notwithstanding any other provision of law, a local agency
4 formation commission shall not approve a proposal that includes
5 the formation of a district unless the commission determines that
6 the proposed district will have sufficient revenues to carry out its
7 purposes.

8 (c) Notwithstanding subdivision (b), a local agency formation
9 commission may approve a proposal that includes the formation
10 of a district where the commission has determined that the
11 proposed district will not have sufficient revenue provided that
12 the commission conditions its approval on the concurrent
13 approval of special taxes or benefit assessments that will generate
14 those sufficient revenues. In approving the proposal, the
15 commission shall provide that, if the voters or property owners
16 do not approve the special taxes or benefit assessments, the
17 proposed district shall not be formed.

18 (d) If the local agency formation commission approves the
19 proposal for the formation of a district, then the commission shall
20 proceed pursuant to Part 4 (commencing with Section 57000) of
21 Division 3 of Title 5.

22 (e) Notwithstanding Section 57075, the local agency formation
23 commission shall take one of the following actions:

24 (1) If a majority protest exists in accordance with Section
25 57078, the commission shall terminate proceedings.

26 (2) If no majority protest exists, the commission shall do either
27 of the following:

28 (A) Order the formation subject to the approval by the voters.

29 (B) Order the formation subject to the approval by the voters
30 of a special tax or the approval by the property owners of a
31 special benefit assessment, pursuant to subdivision (c).

32 (f) If the local agency formation commission orders the
33 formation of a district pursuant to paragraph (2) of subdivision
34 (e), the commission shall direct the board of supervisors to direct
35 county officials to conduct the necessary elections on behalf of
36 the proposed district.

1 PART 2. INTERNAL ORGANIZATION

2
3 CHAPTER 1. INITIAL BOARD OF DIRECTORS

4
5 61020. The initial board of directors of a district formed on or
6 after January 1, 2006, shall be determined pursuant to this
7 chapter.

8 61021. (a) Except as provided in this chapter, the initial
9 board of directors shall be elected.

10 (b) The directors may be elected by one of the following
11 methods:

12 (1) At large.

13 (2) By divisions.

14 (3) From divisions.

15 (c) The elections and terms of office shall be determined
16 pursuant to the Uniform District Election Law, Part 4
17 (commencing with Section 10500) of the Elections Code.

18 61022. (a) In the case of a proposed district which contains
19 only unincorporated territory in a single county and less than 100
20 voters, the local agency formation commission may provide, as a
21 term and condition of approving the formation of the district, that
22 the county board of supervisors shall be the initial board of
23 directors until conversion to an elected board of directors.

24 (b) The board of supervisors shall adopt a resolution pursuant
25 to subdivision (b) of Section 61027, placing the question of
26 having an elected board of directors on the ballot when any of the
27 following occurs:

28 (1) When the registrar of voters certifies in writing that the
29 number of voters in the district has reached or exceeded 500.

30 (2) When the registrar of voters certifies in writing that the
31 number of voters in the district has reached or exceeded a lower
32 number specified by the local agency formation commission as a
33 term and condition of approving the formation of the district.

34 (3) Ten years after the effective date of the district's
35 formation.

36 (4) The local agency formation commission has required, as a
37 term and condition of approving the formation of the district,
38 placing the question of having an elected board of directors on
39 the ballot in less than 10 years after the effective date of the
40 district's formation.

(c) At the election, the voters shall also elect members to the district's board of directors. Those persons shall take office only if a majority of the voters voting upon the question of having an elected board are in favor of the question.

(d) If the question is submitted to the voters at a general district election, the notice required by Section 12112 of the Elections Code shall contain a statement of the question to appear on the ballot. If the question is submitted to the voters at a special election, the notice of election and ballot shall contain a statement of the question.

CHAPTER 2. REORGANIZING THE BOARD OF DIRECTORS

61025. (a) If a majority of the voters voting upon the question are in favor of the question at a general district or special election, a board of directors may be elected by one of the following methods:

(1) At large.

(2) By divisions.

(3) From divisions.

(b) The board of directors may adopt a resolution placing the question on the ballot. Alternatively, upon receipt of a petition signed by at least 25 percent of the registered voters of the district, the board of directors shall adopt a resolution placing the question on the ballot.

(c) If the question is submitted to the voters at a general district election, the notice required by Section 12112 of the Elections Code shall contain a statement of the question to appear on the ballot. If the question is submitted to the voters at a special election, the notice of election and ballot shall contain a statement of the question.

(d) If the majority of voters voting upon the question approves of the election of directors either by divisions or from divisions, the board of directors shall promptly adopt a resolution dividing the district into five divisions. The resolution shall assign a number to each division. Using the last decennial census as a basis, the divisions shall be as nearly equal in population as possible. In establishing the boundaries of the divisions, the board of directors may give consideration to the following factors:

1 (1) Topography.

2 (2) Geography.

3 (3) Cohesiveness, contiguity, integrity, and compactness of
4 territory.

5 (4) Community of interests of the divisions.

6 (e) If the majority of voters voting upon the question approves
7 of the election of directors either by divisions or from divisions,
8 then at the next election, the members of the board of directors
9 shall be so elected. Each member elected by division or from
10 division shall be a resident of the election division by which or
11 from which he or she is elected. At the district general election,
12 following the approval by the voters of the election of directors
13 either by divisions or from divisions, the board of directors shall
14 assign vacancies on the board of directors created by the
15 expiration of terms to the respective divisions and the vacancies
16 shall be filled either by or from those divisions.

17 (f) If the majority of voters voting on the question approves of
18 the election of directors at large, the board of directors shall
19 promptly adopt a resolution dissolving the divisions which had
20 existed.

21 61026. In the case of a board of directors elected by divisions
22 or from divisions, the board of directors shall adjust the
23 boundaries of the divisions before November 1 of the year
24 following the year in which each decennial census is taken. If at
25 any time between each decennial census, a change of
26 organization or reorganization alters the population of the
27 district, the board of directors shall reexamine the boundaries of
28 its divisions. If the board of directors finds that the population of
29 any division has varied so that the divisions no longer meet the
30 criteria specified in subdivision (d) of Section 61025, the board
31 of directors shall adjust the boundaries of the divisions so that the
32 divisions shall be as nearly equal in population as possible. The
33 board of directors shall make this change within 60 days of the
34 effective date of the change of organization or reorganization.

35 61027. (a) This section applies only to a district where the
36 board of supervisors is the district's board of directors and more
37 than five years have passed since the effective date of the
38 district's formation.

39 (b) Upon receipt of a petition signed by at least 10 percent of
40 the voters of the district, the board of directors shall adopt a

1 resolution placing the question on the ballot. Alternatively, the
2 board of directors may adopt a resolution placing the question on
3 the ballot. The petition or resolution shall specify whether the
4 board of directors will be elected at large, by divisions, or from
5 divisions.

6 (c) If a majority of the voters voting upon the question at a
7 general election or special election are in favor, the district shall
8 have an elected board of directors.

9 (d) At the election, the voters shall also elect members to the
10 district's board of directors. Those persons shall take office only
11 if a majority of the voters voting upon the question of having an
12 elected board of directors are in favor of the question.

13 (e) If the question is submitted to the voters at a general
14 district election, the notice required by Section 12112 of the
15 Elections Code shall contain a statement of the question to
16 appear on the ballot. If the question is submitted to the voters at a
17 special election, the notice of election and ballot shall contain a
18 statement of the question.

19 61028. (a) Before circulating any petition pursuant to Section
20 61025 or Section 61027, the proponents shall publish a notice of
21 intention, which shall include a written statement not to exceed
22 500 words in length, setting forth the reasons for the proposal.
23 The notice shall be published pursuant to Section 6061 in one or
24 more newspapers of general circulation within the district. If the
25 district is located in more than one county, publication of the
26 notice shall be made in at least one newspaper of general
27 circulation in each county.

28 (b) The notice shall be signed by at least one, but not more
29 than three, proponents and shall be in substantially the following
30 form:

31 "Notice of Intent to Circulate Petition

32 "Notice is hereby given of the intention to circulate a petition
33 affecting the Board of Directors of the _____ (name of the
34 district). The petition proposes that _____
35 (description of the proposal)."

36 (c) Within five days after the date of publication, the
37 proponents shall file with the secretary of the board of directors a
38 copy of the notice together with an affidavit made by a
39 representative of the newspaper in which the notice was
40 published certifying to the fact of publication.

1 (d) After the filing required by subdivision (c), the petition
2 may be circulated for signatures.

3 (e) Sections 100 and 104 of the Elections Code shall govern
4 the signing of the petition and the format of the petition.

5 (f) A petition may consist of a single instrument or separate
6 counterparts. The proponents shall file the petition, together with
7 all counterparts, with the secretary of the board of directors. The
8 secretary shall not accept a petition for filing unless the
9 signatures have been secured within six months of the date on
10 which the first signature was obtained and the proponents
11 submitted the petition to the secretary for filing within 60 days
12 after the last signature was obtained.

13 (g) Within 30 days after the date of filing a petition, the
14 secretary of the board of directors shall cause the petition to be
15 examined by the county elections official, in accordance with
16 Sections 9113 to 9115, inclusive, of the Elections Code, and shall
17 prepare a certificate of sufficiency indicating whether the petition
18 is signed by the requisite number of signers.

19 (h) If the certificate of the secretary shows the petition to be
20 insufficient, the secretary shall immediately give notice, by
21 certified mail, of the insufficiency to the proponents. That mailed
22 notice shall state in what amount the petition is insufficient.
23 Within 15 days after the date of the notice of insufficiency, the
24 proponents may file with the secretary a supplemental petition
25 bearing additional signatures.

26 (i) Within 10 days after the date of filing a supplemental
27 petition, the secretary shall cause the supplemental petition to be
28 examined by the county elections official.

29 (j) The secretary shall sign and date a certificate of
30 sufficiency. That certificate shall also state the minimum
31 signature requirements for a sufficient petition and show the
32 results of the secretary's examination. The secretary shall mail a
33 copy of the certificate of sufficiency to the proponents.

34 (k) Once the proponents have filed a sufficient petition, the
35 board of directors shall take the actions required pursuant to
36 Section 61025 or Section 61027.

37 61029. (a) Notwithstanding any other provision of this
38 chapter, the Board of Supervisors of San Joaquin County shall be
39 the Board of Directors of the Mountain House Community

1 Services District, until conversion to a directly elected board of
2 directors.

3 (b) When the registrar of voters certifies in writing that the
4 number of voters in the district has reached or exceeded 1,000,
5 the Board of Supervisors of San Joaquin County shall adopt a
6 resolution placing the question of having an elected board of
7 directors on the ballot. The resolution shall specify whether the
8 board of directors will be elected at large, by divisions, or from
9 divisions.

10 (c) If the question is submitted to the voters at a general
11 district election, the notice required by Section 12112 of the
12 Elections Code shall contain a statement of the question to
13 appear on the ballot. If the question is submitted to the voters at a
14 special election, the notice of election and ballot shall contain a
15 statement of the question.

16 (d) If a majority of voters voting upon the question approves
17 of electing the board of directors, the members of the board of
18 directors shall be elected at the next general district election.

19 61030. (a) Notwithstanding any other provision of this part,
20 the local agency formation commission, in approving either a
21 consolidation or reorganization of two or more special districts
22 into a single community services district, may, pursuant to
23 subdivisions (k) and (n) of Section ~~56844~~ 56886, temporarily
24 increase the number of members to serve on the board of
25 directors of the consolidated or reorganized district to 7, 9, or 11,
26 who shall be members of the boards of directors of the districts to
27 be consolidated or reorganized as of the effective date of the
28 consolidation or reorganization.

29 (b) Upon the expiration of the terms of the members of the
30 board of directors of the consolidated or reorganized district
31 whose terms first expire following the effective date of the
32 consolidation or reorganization, the total number of members on
33 the board of directors shall be reduced until the number of
34 members equals five.

35 (c) In addition to the powers granted under Section 1780, in
36 the event of a vacancy on the board of directors of the
37 consolidated or reorganized district at which time the total
38 number of members of the board of directors is greater than five,
39 the board of directors may, by majority vote of the remaining
40 members of the board, choose not to fill the vacancy. In that

1 event, the total membership of the board of directors shall be
2 reduced by one member. Upon making the determination not to
3 fill a vacancy, the board of directors shall notify the board of
4 supervisors of its decision.

5 (d) This section applies only to a consolidation or
6 reorganization in which each subject agency was an independent
7 special district prior to the initiation of the consolidation or
8 reorganization.

9 (e) As used in this section, “consolidation” means a
10 consolidation as defined by Section 56030, “special district”
11 means a special district as defined by Section 56036,
12 “independent special district” means an independent special
13 district as defined by Section 56044, and “reorganization” means
14 a reorganization as defined by Section 56073.

15
16 CHAPTER 3. BOARD OF DIRECTORS
17

18 61040. (a) A legislative body of five members known as the
19 board of directors shall govern each district. The board of
20 directors shall establish policies for the operation of the district.
21 The board of directors shall provide for the implementation of
22 those policies which is the responsibility of the district’s general
23 manager.

24 (b) No person shall be a candidate for the board of directors
25 unless he or she is a voter of the district or the proposed district.
26 No person shall be a candidate for the board of directors that is
27 elected by divisions or from divisions unless he or she is a voter
28 of that division or proposed division.

29 (c) All members of the board of directors shall exercise their
30 independent judgment on behalf of the interests of the entire
31 district, including the residents, property owners, and the public
32 as a whole in furthering the purposes and intent of this division.
33 Where the members of the board of directors have been elected
34 by divisions or from divisions, they shall represent the interests
35 of the entire district and not solely the interests of the residents
36 and property owners in their divisions.

37 (d) Service on a municipal advisory council established
38 pursuant to Section 31010 or service on an area planning
39 commission established pursuant to Section 65101 shall not be

1 considered an incompatible office with service as a member of a
2 board of directors.

3 (e) A member of the board of directors shall not be the general
4 manager, the district treasurer, or any other compensated
5 employee of the district, except for volunteer firefighters as
6 provided by Section 53227.

7 61041. Notwithstanding subdivision (a) of Section 65040,
8 this section applies only to those districts that on December 31,
9 2005, had boards of directors that consisted of three members.
10 Those districts shall continue to have boards of directors that
11 consist of three members until the next general district election
12 after January 1, 2006, after which date those districts shall have
13 boards of directors that consist of five members. At that election,
14 the voters shall fill the two vacancies on the board of directors.
15 Those two members of the board of directors shall serve for the
16 terms of office determined pursuant to Section 10506 of the
17 Elections Code.

18 61042. (a) The term of office of each member of a board of
19 directors is four years or until his or her successor qualifies and
20 takes office. Directors shall take office at noon on the first Friday
21 in December following their election.

22 (b) For districts formed before January 1, 2006, where the
23 members of the board of directors are not serving staggered
24 terms, at the first meeting after January 1, 2006, the members
25 shall classify themselves by lot into two classes. One class shall
26 have three members and the other class shall have two members.
27 For the class that has three members, the terms of the offices that
28 begin after the next general district election shall be four years.
29 For the class that has two members, the initial terms of the
30 offices that begin after the next general district election shall be
31 two years. Thereafter, the terms of all members shall be four
32 years.

33 (c) Any vacancy in the office of a member elected to a board
34 of directors shall be filled pursuant to Section 1780.

35 61043. (a) Within 45 days after the effective date of the
36 formation of a district, the board of directors shall meet and elect
37 its officers. Thereafter, within 45 days after each general district
38 or unopposed election, the board of directors shall meet and elect
39 the officers of the board of directors. A board of directors may
40 elect the officers of the board of directors annually.

1 (b) The officers of a board of directors are a president and a
2 vice president. The president shall preside over meetings of the
3 board of directors and the vice president shall serve in the
4 president's absence or inability to serve.

5 (c) A board of directors may create additional offices and elect
6 members to those offices, provided that no member of a board of
7 directors shall hold more than one office.

8 61044. A board of directors shall hold a regular meeting at
9 least once every three months. Meetings of the board of directors
10 are subject to the Ralph M. Brown Act, Chapter 9 (commencing
11 with Section 54950) of Part 1 of Division 2 of Title 5.

12 61045. (a) A majority of the total membership of the board
13 of directors shall constitute a quorum for the transaction of
14 business.

15 (b) The board of directors shall act only by ordinance,
16 resolution, or motion.

17 (c) Except as otherwise specifically provided by law, a
18 majority vote of the total membership of the board of directors is
19 required for the board of directors to take action.

20 (d) The minutes of the board of directors shall record the aye
21 and no votes taken by the members of the board of directors for
22 the passage of all ordinances, resolutions, or motions.

23 (e) The board of directors shall keep a record of all its actions,
24 including financial transactions.

25 (f) The board of directors shall adopt rules or bylaws for its
26 proceedings.

27 (g) The board of directors shall adopt policies for the operation
28 of the district, including, but not limited to, administrative
29 policies, fiscal policies, personnel policies, and the purchasing
30 policies required by this division.

31 61046. (a) Ordinances may be passed by the voters by
32 initiative pursuant to Article 1 (commencing with Section 9300)
33 of Chapter 4 of Division 9 of the Elections Code.

34 (b) Legislative acts may be disapproved by the voters by
35 referendum pursuant to Article 2 (commencing with Section
36 9340) of Chapter 4 of Division 9 of the Elections Code.

37 (c) Members of the board of directors may be recalled by the
38 voters pursuant to Chapter 1 (commencing with Section 11000)
39 of Division 11 of the Elections Code.

1 61047. (a) The board of directors may provide, by ordinance
2 or resolution, that each of its members may receive compensation
3 in an amount not to exceed one hundred dollars (\$100) for each
4 day of service. A member of the board of directors shall not
5 receive compensation for more than six days of service in a
6 month.

7 (b) The board of directors, by ordinance adopted pursuant to
8 Chapter 2 (commencing with Section 20200) of Division 10 of
9 the Water Code, may increase the amount of compensation that
10 may be received by members of the board of directors.

11 (c) The board of directors may provide, by ordinance or
12 resolution, that its members may receive their actual and
13 necessary traveling and incidental expenses incurred while on
14 ~~official business. The ordinance or resolution shall include~~
15 ~~written policies for reimbursable activities and recordkeeping.~~
16 *official business. Reimbursement for these expenses is subject to*
17 *Sections 53232.2 and 53232.3.*

18 (d) A member of the board of directors may waive any or all
19 of the payments permitted by this section.

20 (e) For the purposes of this section, a “day of service” means
21 any of the following:

22 (1) A meeting conducted pursuant to the Ralph M. Brown Act,
23 Chapter 9 (commencing with Section 54950) of Part 1 of
24 Division 2 of Title 5.

25 (2) Representation of the district at a public event, provided
26 that the board of directors has previously approved the member’s
27 representation at a board of directors’ meeting and that the
28 member delivers a written report to the board of directors
29 regarding the member’s representation at the next board of
30 directors’ meeting following the public event.

31 (3) Representation of the district at a public meeting or a
32 public hearing conducted by another public agency, provided that
33 the board of directors has previously approved the member’s
34 representation at a board of directors’ meeting and that the
35 member delivers a written report to the board of directors
36 regarding the member’s representation at the next board of
37 directors’ meeting following the public meeting or public
38 hearing.

39 (4) Representation of the district at a meeting of a public
40 benefit nonprofit corporation on whose board the district has

1 membership, provided that the board of directors has previously
2 approved the member's representation at a board of directors'
3 meeting and the member delivers a written report to the board of
4 directors regarding the member's representation at the next board
5 of directors' meeting following the corporation's meeting.

6 (5) Participation in a training program on a topic that is
7 directly related to the district, provided that the board of directors
8 has previously approved the member's participation at a board of
9 directors' meeting, and that the member delivers a written report
10 to the board of directors regarding the member's participation at
11 the next board of directors' meeting following the training
12 program.

13 61048. A board of directors may appoint one or more
14 advisory committees to advise the board of directors about the
15 district's finances, policies, programs, or operations.

16
17 CHAPTER 4. DISTRICT OFFICERS
18

19 61050. (a) The board of directors shall appoint a general
20 manager.

21 (b) The county treasurer of the principal county shall serve as
22 the treasurer of the district. If the board of directors designates an
23 alternative depository pursuant to Section 61053, the board of
24 directors shall appoint a district treasurer who shall serve in place
25 of the county treasurer.

26 (c) The board of directors may appoint the same person to be
27 the general manager and the district treasurer.

28 (d) The general manager and the district treasurer, if any, shall
29 serve at the pleasure of the board of directors.

30 (e) The board of directors shall set the compensation, if any,
31 for the general manager and the district treasurer, if any.

32 (f) The board of directors may require the general manager to
33 be bonded. The board of directors shall require the district
34 treasurer, if any, to be bonded. The district shall pay the cost of
35 the bonds.

36 61051. The general manager shall be responsible for all of the
37 following:

38 (a) The implementation of the policies established by the
39 board of directors for the operation of the district.

1 (b) The appointment, supervision, discipline, and dismissal of
2 the district's employees, consistent with the employee relations
3 system established by the board of directors.

4 (c) The supervision of the district's facilities and services.

5 (d) The supervision of the district's finances.

6 61052. (a) Except as provided by Section 61053, the county
7 treasurer of the principal county shall be treasurer of the district
8 and shall be the depository and have the custody of all of the
9 district's money.

10 (b) All claims against a district shall be audited, allowed, and
11 paid by the board of directors by warrants drawn on the county
12 treasurer.

13 (c) As an alternative to subdivision (b), the board of directors
14 may instruct the county treasurer to audit, allow, and draw his or
15 her warrant on the county treasury for all legal claims presented
16 to him or her and authorized by the board of directors.

17 (d) The county treasurer shall pay the warrants in the order in
18 which they are presented.

19 (e) If a warrant is presented for payment and the county
20 treasurer cannot pay it for want of funds in the account on which
21 it is drawn, the treasurer shall endorse the warrant, "NOT PAID
22 BECAUSE OF INSUFFICIENT FUNDS" and sign his or her
23 name and the date and time the warrant was presented. From that
24 time until it is paid, the warrant bears interest at the maximum
25 rate permitted pursuant to Article 7 (commencing with Section
26 53530) of Chapter 3 of Part 1 of Division 2.

27 61053. (a) Notwithstanding Section 61052, a district may
28 establish an alternative depository pursuant to this section.

29 (b) The board of directors shall appoint a district treasurer who
30 shall serve in the place of the county treasurer.

31 (c) The board of directors shall adopt a resolution that does
32 each of the following:

33 (1) State its intention to withdraw its money from the county
34 treasury.

35 (2) Fix the amount of the bond for the district treasurer and
36 other district employees who will be responsible for handling the
37 district's finances. The district shall pay the cost of the bonds.

38 (3) Adopt a system of accounting and auditing that shall
39 completely and at all times show the district's financial

1 condition. The system of accounting and auditing shall adhere to
2 generally accepted accounting principles.

3 (4) Adopt a procedure for drawing and signing checks,
4 provided that the procedure adheres to generally accepted
5 accounting principles. The procedure shall provide that bond
6 principal and salaries shall be paid when due. The procedure may
7 provide that checks to pay claims and demands need not be
8 approved by the board of directors before payment if the district
9 treasurer determines that the claims and demands conform to the
10 district's approved budget.

11 (5) Designate a bank, a savings and loan association, or a
12 credit union as the depository of the district's money. A bank,
13 savings and loan association, or credit union may act as a
14 depository, paying agent, or fiscal agency for the holding or
15 handling of the district's money, notwithstanding the fact that a
16 member of the board of directors, whose funds are on deposit in
17 that bank or savings and loan association is an officer, employee,
18 or stockholder of that bank or savings and loan association, or of
19 a holding company that owns any of the stock of that bank or
20 savings and loan association.

21 (d) The board of directors and the board of supervisors of the
22 principal county shall determine a mutually acceptable date for
23 the withdrawal of the district's money from the county treasury,
24 not to exceed 15 months from the date on which the board of
25 directors adopts its resolution.

26 (e) In implementing this section, the district shall comply with
27 Article 1 (commencing with Section 53600) and Article 2
28 (commencing with Section 53630) of Chapter 4 of Part 1 of
29 Division 2 of Title 5. Nothing in this section shall preclude the
30 district treasurer from depositing the district's money in the
31 county treasury of the principal county or the State Treasury
32 pursuant to Article 11 (commencing with Section 16429.1) of
33 Chapter 2 of Part 2 of Division 4 of Title 2.

34 (f) The district treasurer shall make quarterly or more frequent
35 written reports to the board of directors, as the board of directors
36 shall determine, regarding the receipts and disbursements and
37 balances in the accounts controlled by the district treasurer. The
38 district treasurer shall sign the reports and file them with the
39 general manager.

CHAPTER 5. GENERAL POWERS

61060. A district shall have and may exercise all rights and powers, expressed and implied, necessary to carry out the purposes and intent of this division, including, but not limited to, the following powers:

(a) To adopt ordinances following the procedures of Article 7 (commencing with Section 25120) of Chapter 1 of Part 2 of Division 2 of Title 3.

(b) To adopt, by ordinance, and enforce rules and regulations for the administration, operation, and use and maintenance of the facilities and services listed in Part 3 (commencing with Section 61100).

(c) To sue and be sued in its own name.

(d) To acquire any real or personal property within or outside the district, by contract or otherwise, to hold, manage, occupy, dispose of, convey, and encumber the property, and to create a leasehold interest in the property for the benefit of the district.

(e) To acquire by eminent domain any real or personal property within or outside the district. If a district acquires real or personal property of a public utility by eminent domain, the district shall also pay for the cost of the removal, reconstruction, or relocation of any structure, railways, mains, pipes, conduits, wires, cables, or poles that must be moved to a new location.

(f) To appoint employees, to define their qualifications and duties, and to provide a schedule of compensation for performance of their duties.

(g) To engage counsel and other professional services.

(h) To enter into and perform all contracts, including, but not limited to, contracts pursuant to Article 43 (commencing with Section 20680) of Chapter 1 of Part 3 of the Public Contract Code.

(i) To adopt a seal and alter it.

(j) To enter joint powers agreements pursuant to the Joint Exercise of Powers Act, Chapter 5 (commencing with Section 6500) of Division 7 of Title 1.

(k) To provide insurance pursuant to Part 6 (commencing with Section 989) of Division 3.6 of Title 1.

(l) To provide training that will assist the members of the board of directors in the governance of the district.

1 (m) To construct any works along, under, or across any street,
2 road, or highway, subject to the consent of the governing body in
3 charge, and along, under, or across any other property devoted to
4 a public use.

5 (n) To take any and all actions necessary for, or incidental to,
6 the powers expressed or implied by this division.

7 61061. (a) A district shall have perpetual succession.

8 (b) A board of directors may, by resolution, change the name
9 of the district. The resolution shall comply with the requirements
10 of Chapter 23 (commencing with Section 7530) of Division 7 of
11 Title 1. Notwithstanding Section 7530, any district formed on
12 and after January 1, 2006, and any district that changes its name
13 on or after January 1, 2006, shall have the words “community
14 services district” within its name. Within 10 days of its adoption,
15 the board of directors shall file a copy of its resolution with the
16 Secretary of State, the county clerk, the board of supervisors, and
17 the local agency formation commission of each county in which
18 the district is located.

19 (c) A district may destroy a record pursuant to Chapter 7
20 (commencing with Section 60200) of Division 1.

21 61062. (a) When acquiring, improving, or using any real
22 property, a district shall comply with Article 5 (commencing
23 with Section 53090) of Chapter 1 of Part 1 of Division 2 of Title
24 5, and Article 7 (commencing with Section 65400) of Chapter 1
25 of Division 1 of Title 7.

26 (b) When disposing of surplus land, a district shall comply
27 with Article 7 (commencing with Section 54220) of Chapter 5 of
28 Part 1 of Division 2 of Title 5.

29 61063. (a) Each district shall adopt policies and procedures,
30 including bidding regulations, governing the purchasing of
31 supplies and equipment not governed by Article 43 (commencing
32 with Section 20680) of Chapter 1 of Part 3 of the Public Contract
33 Code. Each district shall adopt these policies and procedures by
34 rule or regulation pursuant to Article 7 (commencing with
35 Section 54201) of Chapter 5 of Division 2 of Title 5.

36 (b) A district may request the State Department of General
37 Services to make purchases of materials, equipment, or supplies
38 on its behalf pursuant to Section 10298 of the Public Contract
39 Code.

1 (c) A district may request the purchasing agent of the principal
2 county to make purchases of materials, equipment, or supplies on
3 its behalf pursuant to Article 7 (commencing with Section 25500)
4 of Chapter 5 of Division 2 of Title 3.

5 (d) A district may request the purchasing agent of the principal
6 county to contract with persons to provide projects, services, and
7 programs authorized by this division pursuant to Article 7
8 (commencing with Section 25500) of Chapter 5 of Division 2 of
9 Title 3.

10 61064. (a) Violation of any rule, regulation, or ordinance
11 adopted by a board of directors is a misdemeanor punishable
12 pursuant to Section 19 of the Penal Code.

13 (b) Any citation issued by a district for violation of a rule,
14 regulation, or ordinance adopted by a board of directors may be
15 processed as an infraction pursuant to subdivision (d) of Section
16 17 of the Penal Code.

17 (c) To protect property and to preserve the peace at facilities
18 owned or managed by a district, a board of directors may confer
19 on designated uniformed district employees the power to issue
20 citations for misdemeanor and infraction violations of state law,
21 city or county ordinances, or district rules, regulations, or
22 ordinances when the violation is committed within a facility and
23 in the presence of the employee issuing the citation. District
24 employees shall issue citations pursuant to Chapter 5C
25 (commencing with Section 853.5) of Title 3 of Part 2 of the Penal
26 Code.

27 61065. (a) The Meyers-Milias-Brown Act, Chapter 10
28 (commencing with Section 3500) of Division 4 of Title 1 applies
29 to all districts.

30 (b) A board of directors may establish an employee relations
31 system that may include, but is not limited to, a civil service
32 system or a merit system.

33 61066. A board of directors may require any employee or
34 officer to be bonded. The district shall pay the cost of the bonds.

35 61067. A board of directors may provide for any program for
36 the benefit of its employees and members of the board of
37 directors pursuant to Chapter 2 (commencing with Section
38 53200) of Part 1 of Division 2 of Title 5.

39 61068. A board of directors may authorize its members and
40 the employees of the district to attend professional or vocational

1 meetings and conferences. A board of directors may reimburse
2 its members and the employees of the district for their
3 documented, actual, and necessary traveling and incidental
4 expenses while on official business.

5 61069. (a) A district may request an inspection warrant
6 pursuant to Title 13 (commencing with Section 1822.50) of Part
7 3 of the Code of Civil Procedure. The warrant shall state the
8 location which it covers and shall state its purposes. A warrant
9 may authorize district employees to enter property only to do one
10 or more of the following:

11 (1) Inspect to determine the presence of public nuisances that
12 the district has the authority to abate.

13 (2) Abate public nuisances, either directly or by giving notice
14 to the property owner to abate the public nuisance.

15 (3) Determine if a notice to abate a public nuisance has been
16 complied with.

17 (b) Where there is no reasonable expectation of privacy and
18 subject to the limitations of the United States Constitution and
19 the California Constitution, employees of a district may enter any
20 property within the district for any of the following purposes:

21 (1) Inspect the property to determine the presence of public
22 nuisances that the district has the authority to abate.

23 (2) Abate public nuisances, either directly or by giving notice
24 to the property owner to abate the public nuisance.

25 (3) Determine if a notice to abate a public nuisance has been
26 complied with.

27 61070. A district may contract with any local agency, state
28 department or agency, federal department or agency, or any tribal
29 government for the provision by or to the district of any facilities,
30 services, or programs authorized by this division, within or
31 without the district, subject to compliance with Section 56133.

32 33 PART 3. PURPOSES, SERVICES, AND FACILITIES

34 35 CHAPTER 1. AUTHORIZED SERVICES AND FACILITIES

36
37 61100. Within its boundaries, a district may do any of the
38 following:

39 (a) Supply water for any beneficial uses, in the same manner
40 as a municipal water district, formed pursuant to the Municipal

1 Water District Law of 1911, Division 20 (commencing with
2 Section 71000) of the Water Code. In the case of any conflict
3 between that division and this division, the provisions of this
4 division shall prevail.

5 (b) Collect, treat, or dispose of sewage, waste water, recycled
6 water, and storm water, in the same manner as a sanitary district,
7 formed pursuant to the Sanitary District Act of 1923, Division 6
8 (commencing with Section 6400) of the Health and Safety Code.
9 In the case of any conflict between that division and this division,
10 the provisions of this division shall prevail.

11 (c) Collect, transfer, and dispose of solid waste, and provide
12 solid waste handling services, including, but not limited to,
13 source reduction, recycling, composting activities, pursuant to
14 Division 30 (commencing with Section 40000), and consistent
15 with Section 41821.2 of the Public Resources Code.

16 (d) Provide fire protection services, rescue services, hazardous
17 material emergency response services, and ambulance services in
18 the same manner as a fire protection district, formed pursuant to
19 the Fire Protection District Law, Part 2.7 (commencing with
20 Section 13800) of Division 12 of the Health and Safety Code.

21 (e) Acquire, construct, improve, maintain, and operate
22 recreation facilities, including, but not limited to, parks and open
23 space, in the same manner as a recreation and park district
24 formed pursuant to the Recreation and Park District Law,
25 Chapter 4 (commencing with Section 5780) of Division 5 of the
26 Public Resources Code.

27 (f) Organize, promote, conduct, and advertise programs of
28 community recreation, in the same manner as a recreation and
29 park district formed pursuant to the Recreation and Park District
30 Law, Chapter 4 (commencing with Section 5780) of Division 5
31 of the Public Resources Code.

32 (g) Acquire, construct, improve, maintain, and operate street
33 lighting and landscaping on public property, public
34 rights-of-way, and public easements.

35 (h) Provide for the surveillance, prevention, abatement, and
36 control of vectors and vectorborne diseases in the same manner
37 as a mosquito abatement and vector control district formed
38 pursuant to the Mosquito Abatement and Vector Control District
39 Law, Chapter 1 (commencing with Section 2000) of Division 3
40 of the Health and Safety Code.

1 (i) Provide police protection and law enforcement services by
2 establishing and operating a police department that employs
3 peace officers pursuant to Chapter 4.5 (commencing with Section
4 830) of Title 3 of Part 2 of the Penal Code.

5 (j) Provide security services, including, but not limited to,
6 burglar and fire alarm services, to protect lives and property.

7 (k) Provide library services, in the same manner as a library
8 district formed pursuant to either Chapter 8 (commencing with
9 Section 19400) or Chapter 9 (commencing with Section 19600)
10 of Part 11 of the Education Code.

11 (l) Acquire, construct, improve, and maintain streets, roads,
12 rights-of-way, bridges, culverts, drains, curbs, gutters, sidewalks,
13 and any incidental works. A district shall not acquire, construct,
14 improve, or maintain any work owned by another public agency
15 unless that other public agency gives its written consent.

16 (m) Convert existing overhead electric and communications
17 facilities, with the consent of the public agency or public utility
18 that owns the facilities, to underground locations pursuant to
19 Chapter 28 (commencing with Section 5896.1) of Part 3 of
20 Division 7 of the Streets and Highways Code.

21 (n) Provide emergency medical services pursuant to the
22 Emergency Medical Services System and the Prehospital
23 Emergency Medical Care Personnel Act, Division 2.5
24 (commencing with Section 1797) of the Health and Safety Code.

25 (o) Provide and maintain public airports and landing places for
26 aerial traffic, in the same manner as an airport district formed
27 pursuant to the California Airport District Act, Part 2
28 (commencing with Section 22001) of Division 9 of the Public
29 Utilities Code.

30 (p) Provide transportation services.

31 (q) Abate graffiti.

32 (r) Plan, design, construct, improve, maintain, and operate
33 flood protection facilities. A district shall not plan, design,
34 construct, improve, maintain, or operate flood protection
35 facilities within the boundaries of another special district that
36 provides those facilities unless the other special district gives its
37 written consent. A district shall not plan, design, construct,
38 improve, maintain, or operate flood protection facilities in
39 unincorporated territory unless the board of supervisors gives its
40 written consent. A district shall not plan, design, construct,

1 improve, maintain, or operate flood protection facilities within a
2 city unless the city council gives its written consent.

3 (s) Acquire, construct, improve, maintain, and operate
4 community facilities, including, but not limited to, community
5 centers, libraries, theaters, museums, cultural facilities, and child
6 care facilities.

7 (t) Abate weeds and rubbish pursuant to Part 5 (commencing
8 Section 14875) of the Health and Safety Code. For that purpose,
9 the board of directors shall be deemed to be a “board of
10 supervisors” and district employees shall be deemed to be the
11 “persons” designated by Section 14890 of the Health and Safety
12 Code.

13 (u) Acquire, construct, improve, maintain, and operate
14 hydroelectric power generating facilities and transmission lines,
15 consistent with the district’s water supply and waste water
16 operations. The power generated shall be used for district
17 purposes, or sold to a public utility or another public agency that
18 generates, uses, or sells electrical power. A district shall not
19 acquire hydroelectric power generating facilities unless the
20 facilities’ owner agrees.

21 (v) Acquire, construct, improve, maintain, and operate
22 television translator facilities.

23 (w) Remove snow from public streets, roads, easements, and
24 rights-of-way. A district may remove snow from public streets,
25 roads, easements, and rights-of-way owned by another public
26 agency, only with the written consent of that other public agency.

27 (x) Provide animal control services pursuant to Section 30501
28 of the Food and Agricultural Code. Whenever the term “board of
29 supervisors,” “county,” “county clerk,” or “animal control
30 officer” is used in Division 14 (commencing with Section 30501)
31 of the Food and Agricultural Code, those terms shall also be
32 deemed to include the board of directors of a district, a district,
33 the general manager of the district, or the animal control officer
34 of a district, respectively. A district shall not provide animal
35 control services in unincorporated territory unless the county
36 board of supervisors gives its written consent. A district shall not
37 provide animal control services within a city unless the city
38 council gives its written consent.

39 (y) Control, abate, and eradicate pests, in the same manner as
40 a pest abatement district, formed pursuant to Chapter 8

(commencing with Section 2800) of Division 3 of the Health and Safety Code. A district's program to control, abate, or eradicate local pine bark beetle infestations shall be consistent with any required plan or program approved by the Department of Forestry and Fire Protection.

(z) Construct, maintain, and operate mailboxes on a district's property or rights-of-way.

(aa) Provide mail delivery service under contract to the United States Postal Service.

(ab) Own, operate, improve, and maintain cemeteries and provide interment services, in the same manner as a public cemetery district, formed pursuant to the Public Cemetery District Law, Part 4 (commencing with Section 9000) of Division 8 of the Health and Safety Code.

(ac) Finance the operations of area planning commissions formed pursuant to Section 65101.

(ad) Finance the operations of municipal advisory councils formed pursuant to Section 31010.

(ae) Acquire, own, improve, maintain, and operate land within or without the district for habitat mitigation or other environmental protection purposes to mitigate the effects of projects undertaken by the district.

61101. A district may provide the facilities and services authorized by Section 61100 outside its boundaries, subject to Section 56133.

61102. A district may provide electricity within its boundaries if the local agency formation commission designated the district as the successor to another special district that was extinguished as the result of any change of organization or reorganization, and that other special district had provided electricity pursuant to the principal act under which that other special district had operated.

61103. (a) A district that acquires, constructs, improves, and maintains streets, roads, rights-of-way, bridges, culverts, drains, curbs, gutters, sidewalks, and any incidental works pursuant to subdivision (l) of Section 61100 shall have the powers, duties, and authority of a county for those works, including, but not limited to, the following:

(1) Chapter 2 (commencing with Section 940), Chapter 5.5 (commencing with Section 1450), and Chapter 6 (commencing

1 with Section 1480) of Division 2 of the Streets and Highways
2 Code.

3 (2) Part 3 (commencing with Section 8300) of the Streets and
4 Highways Code.

5 (3) Division 11 (commencing with Section 21000) of the
6 Vehicle Code.

7 (4) Article 4 (commencing with Section 35700) of Chapter 5
8 of Division 15 of the Vehicle Code.

9 (b) A district shall not exercise those powers, duties, and
10 authority for any of those works if it is owned by another public
11 agency unless that other public agency gives its written consent.

12 61104. (a) A district that acquires, constructs, improves, and
13 maintains streets, roads, rights-of-way, bridges, culverts, drains,
14 curbs, gutters, sidewalks, and any incidental work pursuant to
15 subdivision (I) of Section 61100 may grant franchises pursuant to
16 any of the following:

17 (1) Section 53066.

18 (2) Chapter 6 (commencing with Section 49500) of Part 8 of
19 Division 30 of the Public Resources Code.

20 (3) Division 3 (commencing with Section 6001) of the Public
21 Utilities Code.

22 (b) A district shall not grant a franchise over any work owned
23 by another public agency unless that other public agency gives its
24 consent.

25 61105. (a) The Legislature finds and declares that the unique
26 circumstances that exist in certain communities justify the
27 enactment of special statutes for specific districts. In enacting
28 this section, the Legislature intends to provide specific districts
29 with special statutory powers to provide special services and
30 facilities that are not available to other districts.

31 (b) The Los Osos Community Services District may borrow
32 money from public or private lenders and loan those funds to
33 property owners within the district to pay for the costs of
34 decommissioning septic systems and constructing lateral
35 connections on private property to facilitate the connection of
36 those properties to the district's wastewater treatment system.
37 The district shall lend money for this purpose at rates not to
38 exceed its cost of borrowing and the district's cost of making the
39 loans. The district may require that the borrower pay the district's
40 reasonable attorney's fees and administrative costs in the event

1 that the district is required to take legal action to enforce the
2 provisions of the contract or note securing the loan. The district
3 may elect to have the debt payments or any delinquency
4 collected on the tax roll pursuant to Section 61116. To secure the
5 loan as a lien on real property, the district shall follow the
6 procedures for the creation of special tax liens in Section 53328.3
7 of this code and Section 3114.5 of the Streets and Highways
8 Code.

9 (c) The Heritage Ranch Community Services District may
10 acquire, construct, improve, maintain, and operate petroleum
11 storage tanks and related facilities for its own use, and sell those
12 petroleum products to the district's property owners, residents,
13 and visitors. The authority granted by this subdivision shall
14 expire when a private person or entity is ready, willing, and able
15 to acquire, construct, improve, maintain, and operate petroleum
16 storage tanks and related facilities, and sell those petroleum
17 products to the district and its property owners, residents, and
18 visitors. At that time, the district shall either (1) diligently
19 transfer its title, ownership, maintenance, control, and operation
20 of those petroleum tanks and related facilities at a fair market
21 value to that private person or entity, or (2) lease the operation of
22 those petroleum tanks and related facilities at a fair market value
23 to that private person or entity.

24 (d) The Wallace Community Services District may acquire,
25 own, maintain, control, or operate the underground gas
26 distribution pipeline system located and to be located within
27 Wallace Lake Estates for the purpose of allowing a privately
28 owned provider of liquefied petroleum gas to use the
29 underground gas distribution system pursuant to a mutual
30 agreement between the private provider and the district or the
31 district's predecessor in interest. The district shall require and
32 receive payment from the private provider for the use of that
33 system. The authority granted by this subdivision shall expire
34 when the Pacific Gas and Electric Company is ready, willing,
35 and able to provide natural gas service to the residents of Wallace
36 Lake Estates. At that time, the district shall diligently transfer its
37 title, ownership, maintenance, control, and operation of the
38 system to the Pacific Gas and Electric Company.

39 (e) The Cameron Park Community Services District, the El
40 Dorado Hills Community Services District, the Golden Hills

Community Services District, the Mountain House Community Services District, the Rancho Murieta Community Services District, the Salton Community Services District, the Stallion Springs Community Services District, and the Tenaja Meadows Community Services District, which enforced covenants, conditions, and restrictions prior to January 1, 2006, pursuant to the former Section 61601.7 and former Section 61601.10, may continue to exercise the powers set forth in the former Section 61601.7 and the former Section 61601.10.

(f) The Bear Valley Community Services District, the Bell Canyon Community Services District, the Cameron Estates Community Services District, the Lake Sherwood Community Services District, the Saddle Creek Community Services District, and the Wallace Community Services District may, for roads owned by the district and that are not formally dedicated to or kept open for use by the public for the purpose of vehicular travel, by ordinance, limit access to and the use of those roads to the landowners and residents of that district.

(g) Notwithstanding any other provision of law, the transfer of the assets of the Stonehouse Mutual Water Company, including its lands, easements, rights, and obligations to act as sole agent of the stockholders in exercising the riparian rights of the stockholders, and rights relating to the ownership, operation, and maintenance of those facilities serving the customers of the company, to the Hidden Valley Community Services District is not a transfer subject to taxes imposed by Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code.

(h) The El Dorado Hills Community Services District and the Rancho Murieta Community Services District may each acquire, construct, improve, maintain, and operate television receiving, translating, or distribution facilities, provide television and television-related services to the district and its residents, or authorize the construction and operation of a cable television system to serve the district and its residents by franchise or license. In authorizing the construction and operation of a cable television system by franchise or license, the district shall have the same powers as a city or a county under Section 53066.

(i) The Mountain House Community Services District may provide facilities for television and telecommunications systems,

1 including the installation of wires, cables, conduits, fiber optic
2 lines, terminal panels, service space, and appurtenances required
3 to provide television, telecommunication, and data transfer
4 services to the district and its residents, and provide facilities for
5 a cable television system, including the installation of wires,
6 cables, conduits, and appurtenances to service the district and its
7 residents by franchise or license, except that the district may not
8 provide or install any facilities pursuant to this subdivision unless
9 one or more cable franchises or licenses have been awarded
10 under Section 53066 and the franchised or licensed cable
11 television and telecommunications services providers are
12 permitted equal access to the utility trenches, conduits, service
13 spaces, easements, utility poles, and rights-of-way in the district
14 necessary to construct their facilities concurrently with the
15 construction of the district's facilities. The district shall not have
16 the authority to operate television, cable, or telecommunications
17 systems. The district shall have the same powers as a city or
18 county under Section 53066 in granting a franchise or license for
19 the operation of a cable television system.

20 61106. (a) If a board of directors desires to exercise a latent
21 power, the district shall first receive the approval of the local
22 agency formation commission, pursuant to Article 1.5
23 (commencing with Section 56824.10) of Chapter 5 of Part 3 of
24 Division 3.

25 (b) After receiving the approval of the local agency formation
26 commission, the board of directors may, by ordinance, order the
27 exercise of that power.

28 61107. (a) If a board of directors desires to divest itself of a
29 power that is authorized pursuant to this chapter and if the
30 termination of that power would require another public agency to
31 provide a new or higher level of services or facilities, the district
32 shall first receive the approval of the local agency formation
33 commission. To the extent feasible, the local agency formation
34 commission shall proceed pursuant to Article 1.5 (commencing
35 with Section 56824.10) of Chapter 5 of Part 3 of Division 3.
36 After receiving the approval of the local agency formation
37 commission, the board of directors may, by ordinance, divest
38 itself of that power.

39 (b) *Notwithstanding subdivision (a) of Section 56824.14, the*
40 *local agency formation commission shall not, after a public*

housing called and held for that purpose pursuant to subdivisions (b) and (c) of Section 56824.14, approve a district's proposal to exercise a latent power if the local agency formation commission determines that another local agency already provides substantially similar services or facilities to the territory where the district proposes to exercise that latent power.

~~(b)~~

(c) If a board of directors desires to divest itself of a power that is authorized pursuant to this chapter and if the termination of that power would not require another public agency to provide a new or higher level of services or facilities, the board of directors may, by ordinance, divest itself of that power.

CHAPTER 2. FINANCE

61110. (a) On or before July 1 of each year or, for districts using two one-year budgets or a biennial budget, every other year, the board of directors may adopt a preliminary budget that conforms to generally accepted accounting and budgeting procedures for special districts.

(b) The board of directors may divide the preliminary budget into categories, including, but not limited to, the following:

- (1) Maintenance and operation.
- (2) Services and supplies.
- (3) Employee compensation.
- (4) Capital outlay.
- (5) Interest and redemption for indebtedness.
- (6) Designated reserve for capital outlay.
- (7) Designated reserve for contingencies.

(c) On or before July 1 of each year or, for districts using two one-year budgets or a biennial budget, every other year, the board of directors shall publish a notice stating all of the following:

(1) Either that it has adopted a preliminary budget or that the general manager has prepared a proposed final budget which is available for inspection at a time and place within the district specified in the notice.

(2) The date, time, and place when the board of directors will meet to adopt the final budget and that any person may appear

1 and be heard regarding any item in the budget or regarding the
2 addition of other items.

3 (d) The board of directors shall publish the notice at least two
4 weeks before the hearing in at least one newspaper of general
5 circulation in the district pursuant to Section 6061.

6 (e) At the time and place specified for the hearing, any person
7 may appear and be heard regarding any item in the budget or
8 regarding the addition of other items. The hearing on the budget
9 may be continued from time to time.

10 (f) On or before September 1 of each year or, for districts
11 using two one-year budgets or a biennial budget, every other
12 year, the board of directors shall adopt a final budget that
13 conforms to generally accepted accounting and budgeting
14 procedures for special districts. The general manager shall
15 forward a copy of the final budget to the auditor of each county
16 in which the district is located.

17 61111. (a) At any regular meeting or properly noticed special
18 meeting after the adoption of its final budget, the board of
19 directors may adopt a resolution amending the budget and
20 ordering the transfer of funds between categories, other than
21 transfers from the designated reserve for capital outlay and the
22 designated reserve for contingencies.

23 (b) The board of directors may authorize the general manager
24 to transfer funds between budget categories, other than transfers
25 from the designated reserve for capital outlay and the designated
26 reserve for contingencies.

27 61112. (a) In its budget, the board of directors may establish
28 a designated reserve for capital outlay and a designated reserve
29 for contingencies. When the board of directors establishes a
30 designated reserve, it shall declare the exclusive purposes for
31 which the funds in the reserve may be spent. The funds in the
32 designated reserve shall be spent only for the exclusive purposes
33 for which the board of directors established the designated
34 reserve. The reserves shall be maintained according to generally
35 accepted accounting principles.

36 (b) Any time after the establishment of a designated reserve,
37 the board of directors may transfer any funds to that designated
38 reserve.

39 (c) If the board of directors finds that the funds in a designated
40 reserve are no longer required for the purpose for which it

1 established the designated reserve, the board of directors may, by
2 a four-fifths vote of the total membership of the board of
3 directors, discontinue the designated reserve or transfer any funds
4 that are no longer required from the designated reserve to the
5 district's general fund.

6 (d) Notwithstanding any other provision of this section, in a
7 state of emergency or in a local emergency, as defined in Section
8 8558, a board of directors may temporarily transfer funds from
9 the designated reserve for capital outlay or the designated reserve
10 for contingencies to the district's general fund. The board of
11 directors shall restore these funds to the designated reserves
12 when feasible.

13 (e) The board of directors of each district that has designated
14 an alternative depository pursuant to Section 61053 and
15 appointed a district treasurer shall adopt and annually review a
16 policy for the management of reserves.

17 61113. (a) On or before July 1 of each year, the board of
18 directors shall adopt a resolution establishing its appropriations
19 limit, if any, and make other necessary determinations for the
20 following fiscal year pursuant to Article XIII B of the California
21 Constitution and Division 9 (commencing with Section 7900).

22 (b) Pursuant to subdivision (c) of Section 9 of Article XIII B
23 of the California Constitution, this section shall not apply to a
24 district which existed on January 1, 1978, and which did not as of
25 the 1977-78 fiscal year levy an ad valorem tax on property in
26 excess of 12½ cents per one hundred dollars (\$100) of assessed
27 value.

28 (c) This section shall not apply to any district that has
29 previously transferred services and all of the property tax revenue
30 allocation associated with those services to another local agency.

31 61114. The auditor of each county in which a district is
32 located shall allocate to the district its share of property tax
33 revenue pursuant to Chapter 6 (commencing with Section 95) of
34 Part 0.5 of Division 1 of the Revenue and Taxation Code.

35 61115. (a) The board of directors may, by resolution or
36 ordinance, do the following:

37 (1) Establish rates, ~~fees, and~~ or other charges for services and
38 facilities that the district provides.

39 (2) Provide for the collection and enforcement of those rates;
40 ~~fees, and~~ or other charges.

1 (3) Among the permissible methods for collection and
2 enforcement are:

3 (A) To provide that the charges for any of these services and
4 facilities may be collected with the rates or charges for any other
5 services and facilities provided by the district, and that all
6 charges may be billed on the same bill and collected as one item.

7 (B) To provide that if all or part of a bill is not paid, the
8 district may discontinue any or all services.

9 (C) To provide for a basic penalty for the nonpayment of
10 charges of not more than 10 percent, plus an additional penalty of
11 not more than 1 percent per month for the nonpayment of the
12 charges and the basic penalty. The board of directors may
13 provide for the collection of these penalties.

14 (b) The board of directors may provide that any charges and
15 penalties may be collected on the tax roll in the same manner as
16 property taxes. The general manager shall prepare and file with
17 the board of directors a report that describes each affected parcel
18 of real property and the amount of charges and delinquencies for
19 each affected parcel for the year. The general manager shall give
20 notice of the filing of the report and of the time and place for a
21 public hearing by publishing the notice pursuant to Section 6066
22 in a newspaper of general circulation, and by mailing the notice
23 to the owner of each affected parcel. At the public hearing, the
24 board of directors shall hear and consider any objections or
25 protests to the report. At the conclusion of the public hearing, the
26 board of directors may adopt or revise the charges and penalties.
27 The board of directors shall make its determination on each
28 affected parcel and its determinations shall be final. On or before
29 August 10 of each year following these determinations, the
30 general manager shall file with the county auditor a copy of the
31 final report adopted by the board of directors. The county auditor
32 shall enter the amount of the charges and penalties against each
33 of the affected parcels of real property as they appear on the
34 current assessment roll. The county tax collector shall include the
35 amount of the charges and penalties on the tax bills for each
36 affected parcel of real property and collect the charges and
37 penalties in the same manner as property taxes.

38 (c) The board of directors may recover any charges and
39 penalties by recording in the office of the county recorder of the
40 county in which the affected parcel is located, a certificate

1 declaring the amount of the charges and penalties due, the name
2 and last known address of the person liable for those charges and
3 penalties. From the time of recordation of the certificate, the
4 amount of the charges and penalties constitutes a lien against all
5 real property of the delinquent property owner in that county.
6 This lien shall have the force, effect, and priority of a judgment
7 lien. Within 30 days of receipt of payment for all amounts due,
8 including the recordation fees paid by the district, the district
9 shall record a release of the lien. In filing any instrument for
10 recordation, the district shall pay the fees required by Article 5
11 (commencing with Section 27360) of Chapter 6 of Part 3 of Title
12 3.

13 (d) A district shall reimburse the county for the reasonable
14 expenses incurred by the county pursuant to this section.

15 (e) Any remedies for the collection and enforcement of rates;
16 ~~fees, and~~ or other charges are cumulative and the district may
17 pursue remedies alternatively or consecutively.

18 61116. (a) A district may accept any revenue money, grants,
19 goods, or services from any federal, state, regional, or local
20 agency or from any person for any lawful purpose of the district.

21 (b) In addition to any other existing authority, a district may
22 borrow money and incur indebtedness pursuant to Article 7
23 (commencing with Section 53820), Article 7.5 (commencing
24 with Section 53840), Article 7.6 (commencing with Section
25 53850), and Article 7.7 (commencing with Section 53859) of
26 Chapter 4 of Part 1 of Division 2 of Title 5.

27 61117. The board of directors may establish a revolving fund
28 pursuant to Article 15 (commencing with Section 53950) of
29 Chapter 4 of Part 1 of Division 2 of Title 5.

30 61118. (a) The board of directors shall provide for regular
31 audits of the district's accounts and records pursuant to Section
32 26909.

33 (b) The board of directors shall provide for the annual
34 financial reports to the Controller pursuant to Article 9
35 (commencing with Section 53890) of Chapter 4 of Part 1 of
36 Division 2 of Title 5.

37 61119. All claims for money or damages against a district are
38 governed by Part 3 (commencing with Section 900) and Part 4
39 (commencing with Section 940) of Division 3.6 of Title 1.

CHAPTER 3. ALTERNATIVE REVENUES

61120. Whenever the board of directors determines that the amount of revenue available to the district or any of its zones is inadequate to meet the costs of operating and maintaining the facilities, programs, and services authorized by this division, the board of directors may raise revenues pursuant to this chapter or any other provision of law.

61121. A district may levy special taxes pursuant to:

(a) Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5. The special taxes shall be applied uniformly to all taxpayers or all real property within the district, except that unimproved property may be taxed at a lower rate than improved property.

(b) The Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5.

61122. A district may levy benefit assessments for operations and maintenance consistent with the requirements of Article XIII D of the California Constitution, including, but not limited to, benefit assessments levied pursuant to any of the following:

(a) The Improvement Act of 1911, Division 7 (commencing with Section 5000) of the Streets and Highways Code.

(b) The Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code.

(c) The Municipal Improvement Act of 1913, Division 12 (commencing with Section 10000) of the Streets and Highways Code.

(d) The Landscaping and Lighting Assessment Act of 1972, Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code, notwithstanding Section 22501 of the Streets and Highways Code.

(e) Any other statutory authorization enacted on or after January 1, 2006.

61123. (a) A board of directors may charge a fee to cover the cost of any service which the district provides or the cost of enforcing any regulation for which the fee is charged. No fee shall exceed the costs reasonably borne by the district in

1 providing the service or enforcing the regulation for which the
2 fee is charged.

3 (b) Before imposing or increasing any fee for property-related
4 services, a board of directors shall follow the procedures in
5 Section 6 of Article XIII D of the California Constitution.

6 (c) A board of directors may charge residents or taxpayers of
7 the district a fee authorized by this section that is less than the fee
8 which it charges nonresidents or nontaxpayers.

9 (d) A board of directors may authorize district employees to
10 waive the payment, in whole or in part, of a fee authorized by
11 this section when the board of directors determines that payment
12 would not be in the public interest. Before authorizing any
13 waiver, a board of directors shall adopt a resolution that specifies
14 the policies and procedures governing waivers.

15 61124. (a) A district may charge standby charges for water,
16 sewer, or water and sewer services pursuant to the Uniform
17 Standby Charge Procedures Act, Chapter 12.4 (commencing with
18 Section 54984) of Part 1 of Division 2 of Title 5.

19 (b) A standby charge charged by a district pursuant to the
20 former Chapter 1 (commencing with Section 61750) of the
21 former Part 6 of the former Division 1 shall be exempt from
22 subdivision (a), provided that any subsequent increases shall be
23 subject to subdivision (a).

24 25 CHAPTER 4. CAPITAL FINANCING 26

27 61125. Whenever the board of directors determines that the
28 amount of revenue available to the district or any of its zones is
29 inadequate to acquire, construct, improve, rehabilitate, or replace
30 the facilities authorized by this division, or for funding or
31 refunding any outstanding indebtedness, the board of directors
32 may incur debt and raise revenues pursuant to this chapter or any
33 other provision of law.

34 61126. (a) Whenever a board of directors determines that it
35 is necessary to incur a general obligation bond indebtedness for
36 the acquisition or improvement of real property, the board of
37 directors may proceed pursuant to Article 11 (commencing with
38 Section 5790) of Chapter 4 of Division 5 of the Public Resources
39 Code.

(b) Notwithstanding subdivision (a), a district shall not incur bonded indebtedness pursuant to this section that exceeds 15 percent of the assessed value of all taxable property in the district at the time that the bonds are issued.

61127. A board of directors may finance any enterprise and issue revenue bonds pursuant to the Revenue Bond Law of 1941, Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5.

61128. A district may finance facilities and issue bonds pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5.

61129. A district may levy benefit assessments to finance facilities consistent with the requirements of Article XIII D of the California Constitution, including, but not limited to, benefit assessments levied pursuant to any of the following:

(a) The Improvement Act of 1911, Division 7 (commencing with Section 5000) of the Streets and Highways Code.

(b) The Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code.

(c) The Municipal Improvement Act of 1913, Division 12 (commencing with Section 10000) of the Streets and Highways Code.

(d) The Landscaping and Lighting Assessment Act of 1972, Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code, notwithstanding Section 22501 of the Streets and Highways Code.

(e) Any other statutory authorization enacted on or after January 1, 2006.

61130. A district may acquire and improve land, facilities, or equipment and issue securitized limited obligation notes pursuant to Article 7.4 (commencing with Section 53835) of Chapter 4 of Part 1 of Division 2 of Title 5.

61131. (a) A district may issue promissory notes to borrow money and incur indebtedness for any lawful purpose, including, but not limited to, the payment of current expenses, pursuant to this section.

(b) The total amount of indebtedness incurred pursuant to this section outstanding at any one time shall not exceed 5 percent of

the district's total enterprise and nonenterprise revenues in the preceding fiscal year. Any indebtedness incurred pursuant to this section shall be repaid within five years from the date on which it is incurred. Any indebtedness incurred pursuant to this section shall bear interest at a rate which shall not exceed the rate permitted under Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2 of Title 5.

(c) Each indebtedness incurred pursuant to this section shall be authorized by resolution adopted by a four-fifths vote of the total membership of the board of directors and shall be evidenced by a promissory note signed by the president of the board of directors and the general manager.

CHAPTER 5. ZONES

61140. (a) Whenever a board of directors determines that it is in the public interest to provide different services, provide different levels of service, provide different facilities, or raise additional revenues within specific areas of the district, it may form one or more zones pursuant to this chapter.

(b) The board of directors shall initiate proceedings for the formation of a new zone by adopting a resolution that does all of the following:

- (1) States that the proposal is made pursuant to this chapter.
- (2) Sets forth a description of the boundaries of the territory to be included in the zone.
- (3) States the reasons for forming the zone.
- (4) States the different services, different levels of service, different facilities, or additional revenues that the zone will provide.
- (5) Sets forth the methods by which those services, levels of service, or facilities will be financed.
- (6) Proposes a name or number for the zone.

(c) A proposal to form a new zone may also be initiated by a petition signed by not less than 10 percent of the registered voters residing within the proposed zone. The petition shall contain all of the matters required by subdivision (b).

(d) Upon the adoption of a resolution or the receipt of a valid petition, the board of directors shall fix the date, time, and place for the public hearing on the formation of the zone. The board of

1 directors shall publish notice of the hearing, including the
2 information required by subdivision (b), pursuant to Section 6061
3 in one or more newspapers of general circulation in the district.
4 The board of directors shall mail the notice at least 20 days
5 before the date of the hearing to all owners of property within the
6 proposed zone. The board of directors shall post the notice in at
7 least three public places within the territory of the proposed zone.

8 61141. (a) At the hearing, the board of directors shall hear
9 and consider any protests to the formation of the zone. If, at the
10 conclusion of the hearing, the board of directors determines
11 either that more than 50 percent of the total number of voters
12 residing within the proposed zone have filed written objections to
13 the formation, or that property owners who own more than 50
14 percent of the assessed value of all taxable property in the
15 proposed zone have filed written objections to the formation,
16 then the board of directors shall terminate the proceedings. If the
17 board of directors determines that the written objections have
18 been filed by 50 percent or less of those voters or property
19 owners who own 50 percent or less than the assessed value of all
20 taxable property, then the board of directors may proceed to form
21 the zone.

22 (b) If the resolution or petition proposes that the zone use
23 special taxes, benefit assessments, fees, standby charges, bonds,
24 or notes to finance its purposes, the board of directors shall
25 proceed according to law. If the voters or property owners do not
26 approve those funding methods, the zone shall not be formed.

27 61142. A board of directors may change the boundaries of a
28 zone or dissolve a zone by following the procedures in Sections
29 61140 and 61141.

30 61143. A local agency formation commission shall have no
31 power or duty to review and approve or disapprove a proposal to
32 form a zone, a proposal to change the boundaries of a zone, or a
33 proposal to dissolve a zone.

34 61144. (a) As determined by the board of directors, a district
35 may provide any service, any level of service, or any facility
36 within a zone that the district may provide in the district as a
37 whole.

38 (b) As determined by the board of directors and pursuant to
39 the requirements of this division, a district may exercise any

1 fiscal powers within a zone that the district may exercise in the
2 district as a whole.

3 (c) Any special taxes, benefit assessments, rates, fees, charges,
4 standby charges, bonds, or notes which are intended solely for
5 the support of services or facilities within a zone, shall be levied,
6 assessed, and charged within the boundaries of the zone.

7 (d) A district shall not incur a general obligation bonded
8 indebtedness for the benefit of a zone pursuant to this section that
9 exceeds 5 percent of the assessed value of all taxable property in
10 the zone at the time that the bonds are issued. In computing this
11 limit, the 5 percent shall include any other general obligation
12 bonded indebtedness applicable to that zone.

13 (e) A district shall not issue promissory notes for the benefit of
14 a zone pursuant to Section 61131 that exceed 5 percent of the
15 zone's total enterprise and nonenterprise revenues in the
16 preceding fiscal year. In computing this limit, the 5 percent shall
17 include any other promissory notes applicable to that zone.

18 SEC. 4. Section 20682 of the Public Contract Code is
19 repealed.

20 SEC. 5. Section 20682 is added to the Public Contract Code,
21 to read:

22 20682. (a) A district may purchase materials and supplies for
23 the construction or completion of any building, structure, or
24 improvements in the open market when the cost does not exceed
25 twenty-five thousand dollars (\$25,000).

26 (b) Contracts for materials and supplies for the construction or
27 completion of any building, structure, or improvement, when the
28 cost exceeds twenty-five thousand dollars (\$25,000), shall be
29 contracted for and let to the lowest responsible bidder after
30 notice. If two or more bids are the same and the lowest, the
31 district board may accept the one it chooses.

32 (c) The district shall publish a notice inviting bids for any
33 contract for which competitive bidding is required at least one
34 time in a newspaper of general circulation in the district at least
35 one week before the time specified for receiving bids. The notice
36 inviting bids shall set a date for opening the bids and distinctly
37 state the materials and supplies to be purchased.

38 (d) If the general manager recommends and the board of
39 directors determines that the publication of advertisements of the
40 notice in trade journals and papers in lieu of publication pursuant

1 to subdivision (c) will increase the number of business
2 enterprises receiving ~~those notices~~ *that notice*, the board of
3 directors may by resolution declare that ~~the notice~~ *those notices*
4 shall be published in trade journals and papers at least 10 days
5 prior to the time specified for receiving bids.

6 (e) At its discretion, the board of directors may reject any bids
7 presented and readvertise.

8 (f) In the case of an emergency, the board of directors may act
9 pursuant to Chapter 2.5 (commencing with Section 22050).

10 (g) As an alternate to the procedures required by this section, a
11 district may rely on the Uniform Public Construction Cost
12 Accounting Act, Chapter 2 (commencing with Section 22000) of
13 Part 3 of Division 2.

14 SEC. 6. Section 20682.5 is added to the Public Contract
15 Code, to read:

16 20682.5. (a) A district may construct or complete any
17 building, structure, or improvement with its own forces or by
18 contract without bidding when the cost does not exceed
19 twenty-five thousand dollars (\$25,000).

20 (b) All contracts for the construction or completion of any
21 building, structure, or improvement, when the cost exceeds
22 twenty-five thousand dollars (\$25,000), shall be contracted for
23 and let to the lowest responsible bidder after notice. If two or
24 more bids are the same and the lowest, the district board may
25 accept the one it chooses.

26 (c) The district shall publish a notice inviting bids for any
27 contract for which competitive bidding is required at least one
28 time in a newspaper of general circulation in the district at least
29 10 days before the time specified for receiving bids. The notice
30 inviting bids shall set a date for opening the bids and distinctly
31 state the work to be done.

32 (d) If the general manager recommends and the board of
33 directors determines that the publication of advertisements of the
34 notice in trade journals and papers in lieu of publication pursuant
35 to subdivision (c) will increase the number of business
36 enterprises receiving that notice, the board of directors may by
37 resolution declare that those notices shall be published in trade
38 journals and papers at least 10 days prior to the time specified for
39 receiving bids.

1 (e) If plans and specifications are prepared describing the
2 work, all bidders shall be afforded an opportunity to examine the
3 plans and specifications, and the plans and specifications shall be
4 attached to and become part of the contract, if one is awarded.

5 (f) At its discretion, the board of directors may reject any bids
6 presented and readvertise.

7 (g) In the case of an emergency, the board of directors may act
8 pursuant to Chapter 2.5 (commencing with Section 22050).

9 (h) The board of directors may, subject to Chapter 7
10 (commencing with Section 3247) of Title 15 of Part 4 of Division
11 3 of the Civil Code, require the posting of those bonds it deems
12 desirable as a condition to the filing of a bid or the letting of a
13 contract.

14 (i) The district shall keep cost records of the work in the
15 manner provided in Chapter 1 (commencing with Section 4000)
16 of Division 5 of Title 1 of the Government Code.

17 (j) As an alternate to the procedures required by this section, a
18 district may rely on the Uniform Public Construction Cost
19 Accounting Act, Chapter 2 (commencing with Section 22000) of
20 Part 3 of Division 2.

21 SEC. 7. Section 20685 of the Public Contract Code is
22 repealed.

23 SEC. 8. Section 20685.5 of the Public Contract Code is
24 amended and renumbered to read:

25 20683. All bids for construction work shall be presented
26 under sealed cover and shall be accompanied by one of the
27 following forms of bidder's security:

28 (a) Cash.

29 (b) A cashier's check made payable to the district.

30 (c) A certified check made payable to the district.

31 (d) A bidder's bond executed by an admitted surety insurer,
32 made payable to the district.

33 Upon an award to the lowest bidder, the security of an
34 unsuccessful bidder shall be returned in a reasonable period of
35 time, but in no event shall that security be held by the district
36 beyond 60 days from the time the award is made.

37 SEC. 9. This act is based on the recommendations of the
38 Working Group on Revising the Community Services District
39 Law, convened by the Senate Committee on Local Government.

1 SEC. 10. No reimbursement is required by this act pursuant
2 to Section 6 of Article XIII B of the California Constitution
3 because the only costs that may be incurred by a local agency or
4 school district will be incurred because this act creates a new
5 crime or infraction, eliminates a crime or infraction, or changes
6 the penalty for a crime or infraction, within the meaning of
7 Section 17556 of the Government Code, or changes the
8 definition of a crime within the meaning of Section 6 of Article
9 XIII B of the California Constitution.

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